



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

August 2, 1995

Teresa Bearden, CIC
Manager, National Risk
Bond Department
Aetna Casualty Insurance Company
P. O. Box 650074
Dallas, Texas 75265-0074

Re: Status of Surety Bond and Mine Reclamation, Sunshine Mining Company,
Apex/Burgin Mine, M/049/009, Utah County, Utah

Dear Ms. Bearden:

We are in receipt of your July 18, 1995 letter, wherein you request a status report on the amount of reclamation conducted to date at the Apex/Burgin Mine complex. As you know, this mining operation is presently secured by a reclamation surety bond # ~~1234567890~~, which has been posted by Aetna Casualty Insurance Company on behalf of Sunshine Mining Company.

Sunshine Mining Company (Sunshine) no longer operates or holds title to the Apex/Burgin or Trixie Mine properties in the Tintic Mining District near Eureka, Utah. More recently, these mining properties have reverted back to their original owners, South Standard Mining Company (Trixie Mine) and Chief Consolidated Mining Company (Apex/Burgin Mines). To the best of our knowledge, no reclamation has been performed at the Apex/Burgin Mine to date, and operations remain in temporary suspension/standby. Chief Consolidated Mining Company (Chief) has performed, and is currently conducting, some underground mine development work/exploration under the existing approved Apex/Burgin Mine permit. Chief has not formally transferred the Apex/Burgin Mine permit from Sunshine or posted a replacement reclamation surety with our office. We have been informed that Chief is working on the process, but until a new replacement surety is posted by Chief and approved by the Board of Oil, Gas and Mining, we are unable to release Sunshine's reclamation bond. It is also our understanding that Chief is presently in the process of acquiring the assets and/or stock of South Standard.

A portion of the Sunshine mining property (i.e., Trixie Mine) has been formally transferred from Sunshine Mining Company to South Standard Mining Company. A

Page 2
Teresa Bearden
M/049/009
August 2, 1995

replacement reclamation surety in the amount of \$39,800, and a revised permit application have been posted by South Standard for the Trixie Mine. To date, Sunshine has not filed a formal written request with our office to have that portion of the surety bond reduced from their overall reclamation liability.

Please feel free to contact me or Thomas Munson of my staff, if we can provide you with further information in this regard.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

cc: Arden Underwood, Chief Consolidated Mining
Alan R. Young, Sunshine Mining Company -
Tom Munson, DOGM

M049009.ltr

*810 Park Blvd Ste 100
Boise ID 83712*